DRAFT 8/16/93

This is to urge that your Administration and in particular, the U.S. Trade Representative, intensify its effort to open foreign markets to U.S.-made cigarettes. We are writing to you now because of we are concerned that anti-tobacco activists may press your Administration to reduce its effort in this area.

Tobacco has been controversial since it was first made into a cigarette and it is no surprise that some will argue that the government should not be supporting cigarette exports. In fact, however, the opening of foreign markets to American cigarettes will not increase smoking. Cigarettes are smoked every day by hundreds of millions of people living in every part of the world - whether or not U.S. cigarettes are available - and the only question for our government is whether it wishes an important number of these cigarettes to be made by American workers with tobacco grown on American farms.

In short the issue is jobs....and our American economy.

Today, over X00,000 Americans - more than the workforce of Cleveland - are directly involved with the nation's tobacco exports. And the cigarettes they help to make are a boon to the country's economic well-being. Net tobacco exports are the third largest positive contributor to our balance of trade, favorably impacting the balance by more than X.Y billion dollars. Production of export tobacco yields more than $X billion in federal taxes.

How can your Administration help? In recent years the United States Trade Representative has successfully negotiated the opening of four East Asian markets - Japan, Korea, Taiwan, and Thailand - to American-made cigarettes, and as a result there has been a substantial increase in U.S. exports to this part of the world. In each of these countries state-owned monopolies control the market, making cigarettes which compete directly with our U.S. products, and there is a constant risk of back-sliding. We count on the U.S.T.R. to police the agreements which ensure market entry; without a 100 per cent commitment by your Administration to enforce strict compliance we can expect foreign governments to renege, leading inevitably to a decline in employment as our exports fall.

Secondly we count on the support of the U.S.T.R., the Department of Agriculture, and our GATT negotiators as we seek to gain market access for our cigarette and tobacco exports all over the world. The discrimination against our products we have overcome in the four Asian markets can be expected in other countries and a willingness to negotiate hard in GATT discussions and, where necessary, to use the "301" remedy, will be important if our past successes are to be repeated. The American cigarette trademarks are the most respected and well known brand names in the world: the name Marlboro is as familiar in Beijing as in Boston, as recognized in Moscow as in Milwaukee. With the support of your Administration, increased tobacco exports can create more jobs and improve our balance of trade.

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I have indicated already but must repeat that the controversy over cigarettes and smoking is entirely irrelevent to the issues discussed here and it is only the most muddled thinking that could suggest otherwise. The import of American cigarettes does not increase the incidence of smoking abroad since cigarettes - locally manufactured or imported from other countries - are freely available in all of the markets whether or not American-made products are sold.

We recognize that there have been occasional complaints about the way American cigarettes are marketed abroad, although a recent G.A.O. report on this subject found little to criticize. To address the issue head-on, we have adopted a worldwide marketing code which prohibits marketing directed towards minors and employees who intentionally violate the code face discipline and dismissal. Most countries regulate cigarette advertising and prescribe that a caution notice appear on the pack. Our company has taken the additional step of voluntarily placing the U.S. Surgeon General's warning on cigarette packs shipped to those markets not requiring a warning and the other American companies are following this practice. We also offer cigarettes which meet the demand for cigarettes with lowered tar and nicotine yields and in a number of countries it has been the entry of American cigarette which opened this segment of the market.

To summarize, there is no health issue involved in seeking greater access for U.S. tobacco in foreign markets. I appreciate that some may find it politically correct to seize every conceivable opportunity to bash tobacco. I am confident, however, that judgment, tough mindedness, and common sense will prevail in this "litmus test" of our country's determination to create jobs and improve the economy.

I believe all Americans who are at all open-minded on tobacco issues will agree with the points made in this letter. The issue is of particular importance, however, to those who grow tobacco and work in cigarette factories and I have taken the liberty of sending a copy of this letter to those in Congress who represent these people. The names of these Senators and Representatives are indicated on the attached list.

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